

ATHLETIC DEPARTMENT  
UNIVERSITY OF LOUISIANA AT LAFAYETTE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA



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AGREED-UPON PROCEDURES REPORT  
ISSUED MARCH 23, 2005

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**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
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February 2, 2005

Independent Auditor's Report on  
Applying Agreed-Upon Procedures

**DR. RAY P. AUTHEMENT, PRESIDENT**  
**UNIVERSITY OF LOUISIANA AT LAFAYETTE**  
**UNIVERSITY OF LOUISIANA SYSTEM**  
**STATE OF LOUISIANA**  
Lafayette, Louisiana

We have audited the basic financial statements of the University of Louisiana System, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 8, 2004. University of Louisiana at Lafayette is a part of the University of Louisiana System. As requested by the university, we have also performed the procedures, as enumerated below, which were agreed to by management of the university. These procedures were applied to the accounting records and internal controls of the University of Louisiana at Lafayette Athletic Department and to the related outside organizations created for or in behalf of the university's intercollegiate athletic program for the year ended June 30, 2004, solely to assist the university in complying with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of management of University of Louisiana at Lafayette. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are as follows:

**STATEMENT OF REVENUES AND EXPENDITURES**

1. We obtained written representation from management as to the fair presentation of the Statement of Revenues and Expenditures of the intercollegiate athletic program for the year ended June 30, 2004, as shown on Statement A. We also verified the mathematical accuracy of the amounts on the statement and agreed the amounts to the university's general ledger.

We found no exceptions as a result of these procedures.

2. We compared the statements of revenues and expenditures of the intercollegiate athletic programs for June 30, 2004, and June 30, 2003, to identify variances of

20% or greater in individual revenue and expenditure accounts (line items) that are 5% or more of the total.

As a result of our procedure, we identified variances of 20% or greater in line items that are 5% or more of the total in the following accounts for which the university provided satisfactory responses:

Revenues

Guarantees

Outside funds

In-kind contributions

Expenditures

Travel

Operating services

Scholarships

3. We compared the budgeted revenues and expenditures to actual revenues and expenditures for the year ended June 30, 2004, to identify any variances of 20% or greater in individual revenue and expenditure accounts (line items) that are 5% or more of the total.

As a result of our procedure, we identified variances between budget and actual amounts that are 20% or greater in line items that are 5% or more of the total in the following expenditure accounts for which the university provided satisfactory responses:

Travel

Operating services

Supplies

4. We obtained from university management a list of contributions received by the athletic department to identify any individual contributions that constituted more than 10% of the total contributions.

No individual contributions were received by the athletic department that exceeded 10% (\$169,524) of total contributions.

**INTERNAL CONTROL - POLICIES AND PROCEDURES  
RELATING TO INTERCOLLEGIATE ATHLETICS -  
AGREED-UPON PROCEDURES**

5. We made inquiries of management and obtained the university's organization chart, employee job descriptions, and written athletic department policies and procedures to identify aspects of internal control unique to the university's intercollegiate athletic department and to detect deficiencies in the components of those controls.

We detected no deficiencies in the components of the internal control unique to the university's intercollegiate athletic department.

6. We performed tests of controls unique to the university's intercollegiate athletic department to determine adherence to established policies and procedures related to revenues and expenditures:
- a. We selected five cash-receipts for tickets and followed them through the university's cash control system to determine adherence to established policies and procedures.  
  
We found no exceptions as a result of this procedure.
  - b. We selected 10 high dollar and 10 random cash disbursement transactions and followed them through the university's accounting system to determine adherence to established policies and procedures.  
  
We found no exceptions as a result of this procedure.
  - c. We conducted inquiries of the athletic department personnel to determine their compliance with policies and procedures relating to the control and safeguarding of unsold tickets.  
  
We found no exceptions as a result of this procedure.
  - d. We compared the amount of state General Fund appropriation transferred to the Auxiliary Fund (Athletics) to determine compliance with the amount allowed by the Board of Regents.  
  
We found no exceptions as a result of this procedure.
7. We inquired of management about the involvement of the university's internal auditor in the intercollegiate athletic programs and requested any working paper documentation and reports issued by the internal auditor to support the auditor's involvement.
- During fiscal year 2004, the internal auditor issued four reports on the intercollegiate athletic programs relating to identification of a new foundation account, creation of the new foundation account, and two reports on student athlete complimentary tickets. The two reports on complimentary tickets resulted in NCAA violations. The athletic department responded that the procedures for issuing athlete complimentary tickets have been updated and a new compliance officer has been hired to self report the violations and ensure compliance with the NCAA Division I rules. The nature of these infractions had no effect on the audit procedures performed.
8. We obtained the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's intercollegiate athletics program to identify deficiencies in the design of those procedures.

We found no deficiencies in the design of the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's intercollegiate athletics program.

**EXPENDITURES OF OUTSIDE ORGANIZATIONS MADE  
FOR OR IN BEHALF OF THE UNIVERSITY OF  
LOUISIANA AT LAFAYETTE INTERCOLLEGIATE  
ATHLETICS PROGRAM**

9. We obtained a list of outside organizations with related financial activities and written representation from management of the university that these were the only outside organizations created for or in behalf of the athletic department.

	Beginning Balance July 1, 2003	Receipts	Payments			Ending Balance June 30, 2004
			Contributions to Athletic Department	Contributions for Athletic Department	Other	
University of Louisiana at Lafayette Foundation, Inc.:						
Restricted funds	\$677,554	\$1,258,919	\$453,258	\$179,549	\$96,390	\$1,207,276
Athletics	330,831	475,532	75,000	313,770	78,603	338,990
Endowment funds	1,237,095	133,407			64,518	1,305,984
Total	<u>\$2,245,480</u>	<u>\$1,867,858</u>	<u>\$528,258</u>	<u>\$493,319</u>	<u>\$239,511</u>	<u>\$2,852,250</u>

The prior year ending balance of \$2,243,270 for the University of Louisiana at Lafayette Foundation, Inc., was increased by \$2,210 to reflect an account within the Foundation that was not presented in the prior year.

10. For all outside organizations that had an independent audit, we obtained the independent auditor's reports to identify any reportable conditions relating to the outside organizations' internal control and made inquiries of management to document any corrective action taken in response to the reportable conditions.

The financial statements of the University of Louisiana at Lafayette Foundation, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 2004. The audit report dated August 12, 2004, included no reportable conditions relating to the outside organization's internal control.

11. We obtained statements of cash receipts and disbursements from representatives of the outside organizations and agreed this to the organization's accounting records.

We found no exceptions as a result of this procedure.



12. We compared the cash disbursements made by outside organizations for or in behalf of the athletic department to the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and identified any reconciling items.

There were no reconciling items other than accruals.

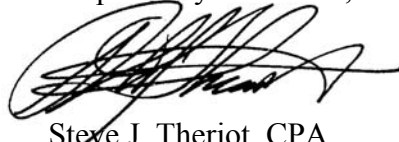
13. We compared direct payments of outside organizations to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and identified any reconciling items.

There were no reconciling items other than accruals.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the Statement of Revenues and Expenditures of the University of Louisiana at Lafayette Athletic Department. Accordingly, we do not express such an opinion. Also, we express no opinion on the University of Louisiana at Lafayette's internal control over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the University of Louisiana at Lafayette and is not intended to be and should not be used by anyone other than management of the university. Under Louisiana Revised Statute 24:513, this report is a public document and it has been distributed to appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

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## Statement A

**ATHLETIC DEPARTMENT  
UNIVERSITY OF LOUISIANA AT LAFAYETTE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA**

**Statement of Revenues and Expenditures  
For the Year Ended June 30, 2004**

	CURRENT FUNDS		
	(PORTION OF)		
	UNRESTRICTED -	RESTRICTED -	
	AUXILIARY	ATHLETIC	
	ENTERPRISE	DEVELOPMENT	
	FUND	FUND	TOTAL
			(MEMORANDUM
			ONLY)
<b>REVENUES</b>			
General Fund transfer	\$2,678,711		\$2,678,711
Gate receipts	892,628		892,628
Guarantees	1,240,000		1,240,000
Program sales	7,304		7,304
Concessions	165,087		165,087
Outside funds (booster clubs, etc.)	1,018,989		1,018,989
In-kind contributions		\$676,249	676,249
Rental of facilities	91,575		91,575
Other	1,352,019		1,352,019
Total revenues	<u>7,446,313</u>	<u>676,249</u>	<u>8,122,562</u>
<b>EXPENDITURES</b>			
Personal services:			
Coaches' and administrative salaries	2,103,269		2,103,269
Other salaries	95,996		95,996
Fringe benefits	431,741		431,741
Travel	1,220,379	2,892	1,223,271
Operating services	544,715	176,178	720,893
Supplies	424,721	190,094	614,815
Professional services	406,602	34,980	441,582
Guarantees	458,371		458,371
Scholarships	1,355,870		1,355,870
Other charges	201,239		201,239
Equipment	7,328	272,105	279,433
Total expenditures	<u>7,250,231</u>	<u>676,249</u>	<u>7,926,480</u>
<b>EXCESS OF REVENUES OVER</b>			
<b>EXPENDITURES</b>	<u>\$196,082</u>	<u>NONE</u>	<u>\$196,082</u>

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